

President's Memorandum to Faculty and Staff

Office of the President
May 4, 2009

This has been a week of unprecedented financial events in Michigan. On Wednesday the deficit in this year's state budget was revealed to have increased from \$785 million to a possible \$1.3 billion. Thursday, Chrysler Motors declared bankruptcy. Certainly these are times of significant financial challenge and economic uncertainty in our state.

It now seems a certainty that state funding for Ferris State University next year will be reduced by 3.2 percent or \$1.6 million. Beyond this there is a strong expectation that we will have to limit tuition to an increase of 4-5 percent, which will further reduce revenue by as much as an additional \$2.7 million. Another important revenue factor to watch carefully is student enrollment. While this appears healthy and strong, a decline of 105 full-time students would represent an additional \$1 million in revenue loss.

As this academic year draws to a close I want to revisit with you the steps we have taken with the University budget and share the next steps in this process. Faced with shrinking state support, we are taking actions to assure that we maintain the high level of our academic offerings, while at the same time restraining tuition. As you are well aware, this is no easy task.

As a campus community, we have been very engaged with this issue for some time now. Beginning in February we conducted six budget open forums and an additional information session for students. Each forum was designed to provide information on our budget and the most up-to-date news from the state regarding next year's support. (The materials from these forums are accessible at <http://www.ferris.edu/president/budget.htm>)

In March, vice presidents and deans met with faculty and staff at the department level, seeking your ideas on budget savings and reductions. This input from members of the Ferris community resulted in a 45-page list of cost-saving suggestions. These were categorized and a shorter summary of ideas developed. Next, the Strategic Planning and Resource Council prioritized this list. Last week these priorities were reviewed by faculty and staff in two open forums. The current version of this document will serve as a guide as we reduce our budgets. (It is accessible at

http://www.ferris.edu/president/OurBudgetOurFuture/Budget_Reduction_Guide_2009.pdf)

Last November, anticipating the economic challenges that lay ahead, we reduced the budget by \$2.5 million. In April I asked vice presidents and deans to identify an additional \$2.5 million in budget reductions by June 1. This will represent a total savings of \$5 million for next year's budget.

Given the current uncertainties and the continued decline in state revenues, I have also asked that the following actions be delayed for the present: classroom and laboratory renovations, minor capital renovations, and computer replacement. While in some cases exceptions should and will be made, it is anticipated that these actions will save between \$2 and \$2.5 million, providing an additional one-time cushion.

Additionally, I am immediately creating a cross-campus group to examine ways in which we can conserve energy and cut utility costs significantly. In the fall we will organize a second group to examine how we can reduce costs through better efficiencies across campus.

As a result of a conservative approach to budgeting, careful planning and management, and your active involvement and assistance, Ferris is on stable financial footing. Being proactive now in terms of implementing cost savings, developing new revenue streams and finding ways to provide student assistance will help position us for the future. The launching of Ferris Cares - Opportunity @ 125 is a good example of the range of ways in which the University is working together to embrace our traditional core value of providing opportunity. The goal of raising an additional \$250,000 for scholarships will help make the difference for many students with significant financial needs.

The greatest asset we have in dealing with so many challenges is the dedication of the Ferris community to its educational mission. As always your ideas and suggestions are both invited and encouraged. Throughout the summer I will continue to update you on state developments and progress with our budget.

Thank you for your hard work in finding innovative ways to advance our goals even during these uncertain times. Together we will address these challenges in a proactive fashion and continue to build a great university at Ferris.

Sincerely,

David L. Eisler
President